



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and
Energy Reliability

ENERGY ASSURANCE DAILY

Tuesday, May 09, 2006

Electricity

Sharyland Utilities Breaks Ground on DC Tie to Connect Texas and Mexico May 8

The 150 MW DC tie will connect ERCOT with CFE. A two-way flow of electricity will be possible with this line. Texas can sell excess power when desired by Mexico and can buy it when it is available.

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6652783

Three Wind Power Projects to be Discussed by West Virginia PSC

The Public Service Commission will hear arguments about three wind power projects seeking certification to operate in West Virginia. The three projects are Beech Ridge Energy's plan for a wind farm in Greenbrier County, U.S. WindForce's plan for a wind farm in Grant County, and NedPower's plan for a wind farm in Grant County. NedPower had received initial approval by the PSC, but the plan is being reviewed again.

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8knpp%5E%5BhgktsqqUSlj%216C%29bfe%5Dv>

Hurricane Destruction Moving FPL to Reconsider Underground Power Lines

Until Hurricane Wilma struck Florida last year FPL's view of underground power lines reflected that of the industry in general, the cost of burying the lines did not justify the cost. Since Hurricane Wilma, FPL has indicated a greater acceptance of underground lines including a cost sharing arrangement.

<http://powermarketers.netcontentinc.net/newsreader.asp?ppa=8knpp%5E%5BhglnqxZSlj%216C%29bfe%5Dv>

FirstEnergy's 1,260 MW Perry Nuclear Plant in Ohio Reduced to 7 Percent May 9

FirstEnergy reduced output at its 1,260 MW Perry nuclear generating station in Ohio when an oil leak in a hydraulic system was discovered on May 9.

Bloomberg, 12:07 May 9, 2006

LS Power's 739 MW Moss Landing Gas-Fired Unit 6 in California Shut May 7

The unit shut on May 7 for unplanned reasons according to the California Independent Electricity Operator's report. Reuters, 09:12 May 9, 2006

OPG's 490 MW Nanticoke Coal-Fired Unit 7 in Ontario Exits Outage May 8

Ontario Power Generation's 490 MW coal-fired power unit in Ontario returned to service after it shut on May 7 for short-term work.

Reuters, 08:43 May 9, 2006

AEP's 690 MW Oklaunion Coal-Fired Unit in Texas Shut May 8

May 8, American Electric Power Co. shut its coal-fired power plant to fix a tube failure in a boiler superheater. The unit is estimated to return to service sometime after May 18.

Reuters, 08:39 May 9, 2006

SCE's 1,080 MW San Onofre 3 Nuke in California Exits Outage May 8

The operators decided to shut Unit 3 when they discovered a partially dislodged gasket while they were preparing to restart Unit 2 on March 27. The unit shut on March 29 for inspection and ramped up to 1 percent power on May 8.

Reuters, 07:30 May 9, 2006

Omaha's 476 MW Fort Calhoun Nuke in Nebraska Ramps up 88 Percent May 8

Omaha shut the unit on April 29 to replace a reactor coolant pump seal and clean the main condenser, as well as other activities to prepare for the summer season.

Reuters, 07:23 May 9, 2006

OPG's 490 MW Nanticoke 3 Coal-fired Unit in Ontario Restarted May 6

Unit 3 was shut on March 25 for repairs.

Reuters, 10:27 May 5, 2006

OPG's 490 MW Nanticoke 4 Coal-fired Unit in Ontario Restarted May 6

Unit 4 was shut on April 27 for repairs.

Reuters, 10:27 May 5, 2006

OPG's 490 MW Nanticoke 8 Coal-fired Unit in Ontario Restarted May 6

Unit 8 was shut on April 27 for repairs.

Reuters, 10:27 May 5, 2006

OPG's 515 MW Pickering 7 Coal-fired Unit in Ontario Restarted May 6

Unit 7 was shut on April 21 for repairs.

Reuters, 10:27 May 5, 2006

Petroleum

EPA Removes 2 Percent Oxygenate Requirement

In a effort to provide flexibility for refiners, EPA formally eliminated the 2 percent oxygenate requirement for gasoline.

OPIS Alert, 13:24 May 8, 2006

Shell's Refinery Units to Resume Operations in Wilmington, California

Shell Oil's coking, hydrocracking, and hydrotreating units that shut in late April due to undisclosed malfunctions resumed operation on May 8. The units have a combined capacity of 100,000 b/d.

Reuters, 13:30 May 9, 2006

Petro-Canada to Reduce Terra Nova Production by 75 Percent Due to Mechanical Failure

On May 7, Petro-Canada shut down production at Terra Nova oilfield due to a mechanical failure of a gearbox. Due to the shut down, it expects production to drop by 75 percent in the second quarter. The production is estimated to be close to 21,000 b/d, down from its March estimate of 83,000 b/d.

Reuters, 08:10 May 9, 2006

Natural Gas

Update: In Response to Louisiana Governor's Veto, MCMoRan Will Modify Main Pass LNG Plan

On May 8, McMoRan Exploration announced that it would modify the regasification process it plans to use at its Main Pass LNG terminal to meet the objections that led Louisiana Governor Blanco to veto the planned offshore facility.

Oil Daily, May 9, 2006

http://www.energyintel.com/PublicationHomePage.asp?publication_id=5

Other News

UP, BNSF Announce Southern Powder River Basin Joint Line Capacity Expansion Plan

Union Pacific and BNSF Railway Company today announced plans to begin another significant capacity expansion on the jointly owned rail line serving the Southern Powder River Basin coal fields. The railroads will construct more than 40 miles of third and fourth main line tracks over the next two years.

http://www.uprr.com/newsinfo/releases/capital_investment/2006/0508_sprb.shtml

For additional background and analysis of railroad/coal transportation issues, see:

<http://today.reuters.com/business/newsarticle.aspx?type=basicIndustries&storyID=nN08175144>

Energy Prices

U.S. Oil and Gas Prices May 9, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL			
West Texas Intermediate U.S. \$/Barrel	70.71	74.61	52.04
NATURAL GAS			
Henry Hub \$/Million Btu	6.55	6.54	6.56

Source: Reuters

Energy Notes

Alberta's Energy and Utility Board Calls for Operators of Energy Infrastructure to Develop Mitigation and Response Plans Against Attacks

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=6652314

DOE Establishes Risk Insurance Process to Assist Developers of New Nuclear Plants

<http://www.platts.com/Nuclear/News/7443425.xml?p=Nuclear/News&sub=Nuclear>

Qatar to Order 11 LNG Tankers, 24 Vessels by End of 2006

Reuters, 11:56 May 9, 2006

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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